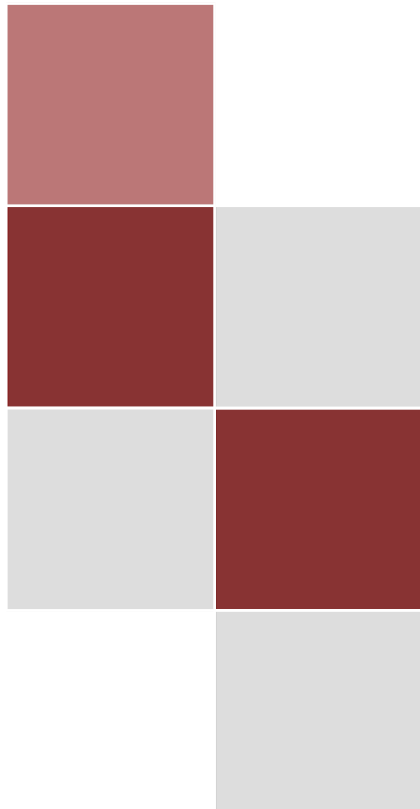




ILRI

INTERNATIONAL  
LIVESTOCK RESEARCH  
INSTITUTE



# ILRI Anti- Money Laundering (AML) and Anti- Terrorist Financing (ATF) Policy

October 2018

# ILRI Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF) Policy

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		Approval date:	23 October 2018
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		Effective date:	1 November 2018

## Revision history

Version No.	Effective date	Approved by and date	Summary of changes	Next scheduled review
1.0	1 November 2018	ILRI BoT Date:	NA	month/year

## Related documents

Global framework:	N/A
CGIAR framework/policy ILRI framework	Risk Management Framework of the CGIAR System ILRI Risk Management Framework
ILRI policy(ies):	Procurement Policy P&OD Resources Policy and Procedures Manual
ILRI procedures	N/A
Other relevant documents	
Appendix	Annex I: ILRI Form for Partners and Service Providers Anti-Money Laundering and Anti-Terrorism Financing

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## 1. Purpose

The International Livestock Research Institute (ILRI) is a CGIAR research centre working in developing countries in Africa and Asia.

Due to the nature of ILRI's work and the places where the work is carried out, a reputation for integrity, both in ILRI's business behaviour and management systems is crucial to the achievement of the institute's goals and fulfilment of its mission.

In response to the global concern regarding possible money laundering and possible financing of terrorism, many countries worldwide have enacted or strengthened their laws regarding these subjects. Kenya, where ILRI is co-headquartered, has passed the following laws regarding Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) based upon the recommendation of the intergovernmental organization the Financial Action Task Force.

- Proceeds of Crime and Anti-Money Laundering Act and Regulations; and
- Prevention of Terrorism Act and Regulations.

Similar laws have been passed by the other countries in which ILRI operates so the same applies for the ILRI office in Ethiopia and all other ILRI offices.

The purpose of this policy is to establish the general framework against money laundering and financing of terrorists, and to ensure compliance with local and international anti-money laundering and counterterrorist financing practices.

The policy will mitigate against any reputational damage to ILRI by ensuring that the institute keeps and maintains consistent controls to deter any connection with prohibited activity.

The policy supports specific clauses regarding this subject that are already included in many donor grants.

## 2. Scope

This is an institute-wide policy and is applicable to all staff located in all countries where ILRI operates.

Management and staff of ILRI are required to adhere to these standards in preventing the use of funds entrusted by donors to the institute for money laundering or terrorist financing purposes.

It is important that staff are familiar with their legal responsibilities and are vigilant at all times. Serious criminal sanctions may be imposed for breach of this policy.

Staff are required to promptly report any suspected money laundering or terrorist financing activities.

The institute will also require that staff, partners, suppliers and other legal person or individual that the centre has financial engagements with adhere to and observe the policy.

ILRI will implement a procedure which strives to mitigate exposure to money laundering or terrorist financing activities by staff, partners, suppliers and any other legal person or individual that the institute has financial engagement with.

Failure to comply with this policy may lead to disciplinary action in line with the Human Resources Policy and Procedures Manuals for IRS and NRS.

### 3. Definitions

**The Financial Action Task Force (FATF)** is an intergovernmental organization created in 1989 by the G7 to tackle the growing problem of the laundering of drug money. In 1996, the FATF shifted its scope from laundering of drug money to the proceeds of all serious predicate offences. FATF currently comprises 35-member jurisdictions and two regional organizations representing most major financial centres in all parts of the globe. There are nine associate member organizations affiliated with FATF including the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG). The objectives of the FATF are to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.

**Money laundering** means the process of concealing or disguising the existence, source, movement, destination or illegal application of illicitly-derived property or funds to make them appear legitimate. It usually involves a three-part system: placement of funds into a financial system, layering of transactions to disguise the source, ownership and location of the funds, and integration of the funds into society in the form of holdings that appear legitimate.

**Terrorist Financing** means the process by which terrorists fund their operations in order to perform terrorist acts. There are two primary sources of financing for terrorist activities. The first involves financial support from countries, organizations or individuals. The other involves a wide variety of revenue-generating activities, some illicit, including smuggling and credit card fraud.

### 4. The policy

Under its host country agreements, ILRI adheres to the laws of the countries where it is located, and as well as international best practice to prohibit and actively prevent the facilitation of money laundering, funding of terrorists or any other criminal activity through our services and activities.

The institute affirms that it shall not be associated with money laundering and terrorist financing and shall ensure that all statutory and regulatory obligations applicable to its actions are met in full.

Compliance with the policy is mandatory.

## 5. Roles and responsibilities

### **Board of Trustees**

- i. Receives reports in case of irregularities.
- ii. If necessary, directs the Internal Audit Unit to investigate.

### **Institute Management Committee (IMC)**

- i. Ensures implementation of this policy including the appropriate due diligence process.
- ii. Ensures that staff are aware and receive appropriate training on the risks associated with prohibited transactions, money laundering and terrorist financing.
- iii. Reports any breach of the policy or suspicion of prohibited transactions to the Board of Trustees.
- iv. Reviews, approves and implements anti-money laundering and anti-terrorist financing procedures.
- v. Ensures that an effective anti-money laundering and anti-terrorist financing capacity building program is set up and implemented to ensure that staff receive appropriate training.

### **Regional coordinators, country coordinators, heads of units, program leaders**

- i. Remains vigilant in ensuring their staff compliance with this policy.
- ii. Immediately report any breach of the policy or suspicion of prohibited transactions to an IMC member or the Internal Audit Unit.
- iii. Ensures that new partners and suppliers provide assurance of non-involvement in money laundering and terrorist financing by signing the specific ILRI statement (attached) as part of their contract with the institute and that signed statements are sent to the Legal Office for vetting if deemed appropriate.
- iv. Ensures that staff receive all information relating to this policy as communicated by the Legal Office or ILRI management.
- v. Ensures their staff are sufficiently aware on how to comply with relevant anti-money laundering and anti-terrorist financing laws, regulations, policies and procedures in their relevant jurisdictions.

### **People and Organizational Development (P&OD)**

- i. Ensures that appropriate background checks are carried out for all recruited staff.
- ii. Follows up and takes appropriate actions on indications or reports that staff are linked or involved in money laundering or terrorist financing activities.
- iii. Collaborates in the development and implementation of appropriate training programs for staff, either with staff from the unit or with external consultants.

### **Internal Audit Unit**

- i. Receives and investigates suspicious activity reports from staff, P&OD, IMC and the Board of Trustees.
- ii. Audits the Anti-Money Laundering and Anti-Terrorism Financing Procedure for weaknesses.
- iii. Support the development and implementation of training programs for staff, either with staff from the unit or with external consultants.

## **Intellectual Property and Legal Unit**

- i. Collaborates with the law enforcement agencies, where necessary.
- ii. Collaborates with P&OD to vet new staff if deemed necessary.
- iii. If deemed appropriate, vets new partners and suppliers and confirms if they are cleared for compliance purposes.
- iv. Ensures that proper anti-money laundering and anti-terrorist financing records are maintained.
- v. Collaborates in the development and implementation of training programs for staff, either with staff from the unit or with external consultants.
- vi. Keeps abreast of national and international developments in the anti-money laundering and anti-terrorist financing arenas.
- vii. Ensures staff compliance with the policy.

## **6. Review**

This policy will be reviewed as and when necessary.

Any changes made to the policy will be presented to the ILRI management for endorsement and thereafter submitted to the Board of Trustees for approval.

## **7. Procedure for Board members, staff, consultants, partners and suppliers**

### **Board members**

The Legal Unit in collaboration with the director general's office shall ensure that potential new Board members provide the necessary assurance.

### **Staff**

P&OD to determine the necessity of vetting individual staff before they sign an employment contract.

### **Consultants**

P&OD shall include appropriate information in consultancy agreements.

### **Partners**

For all new agreements or subcontracts with partners, starting from the date of the approval of this policy, the form below shall be obtained with signature from the legal partner representative.

### **Suppliers and consultants**

For all new supplier contracts and consultancy agreements, starting from the date of the approval of this policy, the form below shall be obtained with signature from the legal representative.

## Attachment 1: Form for partners and service providers—Anti-Money Laundering and Anti-Terrorism Financing

Name of organization	
Address	
Website	
Legal representative signature	Insert name; date of birth; nationality and passport/identification number  Signature:
Certificate of legal representation from partner or supplier), copy of passport from consultant  (attach copy)	Certificate that confirms the person is the legal representative
Details of contact if different from above	Insert name, telephone and email address of each
Details of partner project contact persons or Details of supplier contact person	Insert name, nationality and date of birth of each
Legal status of organization (company, partnership, association etc.)	
Governing document (attach copy)	
Date of establishment	
Country of registration	
Summary of due diligence checks carried out, if any	



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Citation: International Livestock Research Institute. 2018. *ILRI anti-money laundering and anti-terrorist financing policy*. Nairobi, Kenya: ILRI.

ILRI thanks all donors and organizations which globally support its work through their contributions to the [CGIAR Trust Fund](#)

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